

## Transcript of the TrustTalk interview with Tonia Ries

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**Voice-Over:** Welcome to TrustTalk. Our guest today is Tonia Ries, Executive Director of Thought Leadership for the Edelman Trust Institute. She touches upon the history of the Edelman Trust Barometer. The publication of research results in trust has a forward-looking metric, based on online surveys and more recently on real-time natural language processing techniques, as peer voices have become more important over time with the rise of social media. We talk about GenZ and their predilection for employment, values and societal roles of their employers, spreading their influence on Western culture and views on the role of trust. Recent trust research shows an epidemic of misinformation and widespread mistrust of societal institutions and leaders around the world, a failing trust ecosystem unable to confront the infodemic, leaving the four institutions, business, government, NGOs, and media in an environment of information bankruptcy and a mandate to rebuild trust and chart a new path forward. The interview concludes with Tonia's vision on what the main challenges for trust research are, and she reflects on the upcoming interview with a principal in trust research, Francis Fukuyama. Your host today, Severin de Wit.

**Podcast Host:** Tonia, welcome to TrustTalk. You grew up in Belgium, you graduated from Columbia University, and you live and work in New York. You regularly speak at industry events on topics such as trust and the business impact of media transformation by news outlets around the world. Good to have you at TrustTalk.

**Tonia Ries:** It's so great to be here.

**Podcast Host:** Let me talk about Edelman. We all know it's a household name when it comes to trust. But first and foremost, Edelman is known as a global communications firm founded in the same year I was born, in 1952, and named after Daniel Edelman. So how did Edelman's interest in trust develop over the years?

**Tonia Ries:** Trust Barometer was founded by Daniel Edelman's son, Richard Edelman, who is now the CEO of the company, taking over for his father, very successful. It really came about because in 2001, Richard Edelman was attending the World Trade Organization meeting in Seattle. And you may recall that there were protests. In fact, there was street violence. It was later referred to as the Battle in Seattle, organized by people who were protesting capitalism and the really the inequality that is inherent in capitalism. And what was so surprising at the time to the CEOs and other officials who were at the World Trade Organization is they said, where are these people coming from and who is organizing them? They were being organized by various NGOs and why is it that they trust those NGOs more than they trust what we have to say about the state of the world and the intentions of business to build a better society. And so Richard asked himself this question about how much people trust different institutions. And that was really the genesis of the very first trust barometer.

**Podcast Host:** Before we dive into some recent findings of the Edelman Trust Barometer, I'm sure that our listeners would be interested to hear from you what your, or I should say Edelman's, definition of trust is.

**Tonia Ries:** It is such an interesting topic. Everyone understands intuitively that trust is something that matters, that it is important to all of us and we all have trust issues in our personal relationships. But what is so interesting when you look at trust in institutions and at a societal level, trust is a forward-looking metric. It tells you how someone is going to behave in the future. If you trust me, then you might be more willing to lend me some money or to buy my product without having seen it over the internet. And so trust is a currency that really makes your future success more likely. Whereas so many other metrics that we have, whether it's reputation or even financial returns, are measures of behavior in the past. So it's really the only measure that we have and the only thing that tells us how things are going to be in the future.

**Podcast Host:** A technical question: how is the research into trust done by Edelman? Is that by means of surveys? Can you tell us a bit more about the process?

**Tonia Ries:** Primarily, the Trust Barometer is based on online surveys. We have been studying trust now since 2001, so we have 22 years of global annual studies that are done by

interviewing people who are representative, nationally, by age, gender and region in each of the 28 countries that we measure. In addition, over the last three, four, five years, we have had teams do quite extensive additional research to supplement the online surveys that we do, looking at different third-party databases, looking at how trust interacts with stock market returns. And now most recently, we've developed the ability to look at trust live, using natural language processing to understand how different conversations that are happening online might indicate the level of trust in a specific institution organization.

**Podcast Host:** In the section "Why do we study trust?" on Edelman's website, you define trust as "the ultimate currency", you used that word earlier, in the relationship that all institutions, companies and brands, governments, NGOs and media build with their stakeholders. In my previous 49 interviews, because this is the 50th interview

**Tonia Ries:** Congratulations

**Podcast Host:** Thank you. One of the things that struck me is that trust is being seen through different eyes, depending on the discipline in which the interviewee excels.

**Tonia Ries:** Yes, there are so many ways to think about trust. The part of trust that we focus on is how much do people trust institutions, societal leaders, and how much increasingly do we trust each other? As peer voices have become more important over the last ten years with the rise of social media, the trust in conversations has become just as important as a societal function. But our focus is really on the societal measure of trust. And what that tells us is what is our ability as a society to debate issues, complicated issues, to agree on solutions, to solve big problems, and really to break through what has become increasingly a cycle of distrust, where we have the media using and exploiting sensational stories for clicks and to get viewers, we have politicians using sensationalism to attract voters and get votes, and that this cycle of distrust and the associating problems around people, not trusting information or what they're hearing in the news perhaps, has created a real trust crisis, especially in Western democracies. So our focus is really on understanding at a societal level how do we build more trust and allow us to work together to solve problems?

**Podcast Host:** I would like to talk about some findings in the special report you published in June of this year. It's called "The New Cascade of Influence" and as Richard Edelman, your CEO, expressed it, brands are no longer about the consumer, but cover an array of issues like how you treat employees, how is your supply chain organized and how a product is being used or made? How does GenZ look at trust? Is there a difference with millennials?

**Tonia Ries:** The generational shifts that we have tracked over the 20 years and the trust barometer are really one of the most interesting parts. Millennials were the first generation to demonstrate what we call "belief-driven buying", which means that they are choosing brands based on whether those brands are aligned with their values, are supporting specific societal issues that they care about, or they might avoid or boycott brands. But their brand choices are driven by the values and beliefs that those brands demonstrate. GenZ has that same predilection in many ways even more strongly than millennials. The difference is that GenZ seems to be even more practical in their approach. So while millennials were very focused on boycotting brands, calling them out on social media, GenZ seems to be very practical about understanding the power that they have, not just as consumers, but also in the workplace. So we are seeing increasingly employers coming under increasing pressure and demands from their workforce that as employers they also take stands and act on the beliefs and values of their workforce. And that is a new phenomenon that we think GenZ is really spreading and influencing the rest of our culture to become more like that. One of the most interesting findings is that the majority of people who were older than GenZ, including those 55 and older, also said that teens and young people in the workplace are changing their experience at work and the expectations that they have for their employers. So we see a real cultural shift happening.

**Podcast Host:** Before the COVID pandemic, the majority of trust in institutions was the government. Fast forward after the pandemic, it's completely reversed. Companies are now the most trusted, especially on competence. Business is seen as 53 points more competent than government. Trust is I think it indicated earlier, is quite volatile. So what does that teach us?

**Tonia Ries:** Trust really can change very quickly. And we've actually seen heightened volatility over the last five, six, seven years as various crises, pandemic and then, of course, the war in Ukraine, had another impact on which institutions, people trust it to respond correctly. And one

of the big shifts we've seen most recently is that business got a big trust boost from their response to Russia's invasion of Ukraine. During COVID, people initially recognised that it was going to take a strong response from the government in order to address the pandemic. And of course we all saw very mixed results when it came to how different governments responded. And so the fall of government has really been a long time coming. People do not think that government is competent, but they also don't think that government is ethical. And so we have a situation now where business is far more trusted than the government and increasingly being asked to take on responsibilities that historically have been responsibilities for government officials and government leaders to take on.

**Podcast Host:** Out of the many years of research that Edelman did, what turned out to be the main drivers of trust?

**Tonia Ries:** So I just mentioned the two big ones, right? Competence and ethics and the competence dimension of trust is very simple to understand. Does this institution have the ability to get things done? The ethical one, of course, is where things get interesting and we can break it down into a few more detailed dimensions. People want to know, first of all, are you fair? Are you going to serve the interests of all of your stakeholders equally and fairly? Or do you over-serve certain stakeholders and I get left out. So that is a huge question in people's minds and tends to be the lowest score for most of the institution we measure. But they also want to know, do you have a vision for the future that I believe? And do you have integrity? Do you keep your promises? So there are many ways that institutions can do things, but doing them in a way that is seen as right. And that is remarkably the very simple question that Richard and the research team asked 22 years ago. Do you trust this institution to do what is right and leaving it up to the respondents to interpret what they think is right? And it turns out 20 years later, with a lot more sophisticated research, that that initial question, do you trust me to do what is right, is actually a very good proxy for far more sophisticated measures of trust as well.

**Podcast Host:** From the 2022 Edelman Trust Barometer Special Report, "The Geopolitical Business". One of the findings is that the largest gains of trust were in the UK, US and Germany. What could be the main reason? UK and US are not exactly a beacon of political stability at the moment. In the US, the political differences exacerbate. The UK sees a change of power. So how come?

**Tonia Ries:** Well, you have to remember that the biggest gains in trust were for business, not for government. And the reason business saw such a big trust bump from the crisis in Ukraine is that companies did not wait for government to tell them how to respond. They took action swiftly and decisively, in many cases to take losses by cancelling contracts or ending business dealings in Russia in ways that were seen by most people in the West as exactly the right thing to do. So business got a lot of credit during that crisis for being very decisive, quick to act, and not waiting for someone to tell them what the right thing to do is.

**Podcast Host:** We face at the moment a cascade of issues for the future. I would not have time enough to mention them, of course, but to take a few: water shortage, food, can we still feed the world population, our planet, can we stop the warming of the earth? What will it take to trust we will be able to cope with these enormous challenges for future generations?

**Tonia Ries:** That is such a big question and such an important one. I think in addition to some of the challenges that we've already discussed when it comes to government and the belief that government is not competent, the other very, very serious crisis that we're facing is one that we call an infodemic. We simply don't know what is true. We are all in our media echo chambers and we don't trust information. And that is a trend that has really been happening since 2012, which, if you think about it, that was the year that we all started carrying the Internet around in our pockets with us and connecting to our friends on social media and really, most people now are getting their news through a platform they do not trust. Social media is the least trusted platform. It continues to be more and more distrusted every year, and yet that continues to be where people get information about the world. So trust in information has declined to a point where we now think that societal leaders are lying to us. The majority of people agree with the statement that government officials, business leaders, even journalists are deliberately misleading us for political gain or for their own advantage in some way. And so when you have a breakdown in trust in information to a point where people do not know what to believe, it becomes very, very difficult to discuss potential solutions to the kinds of crises that you're talking about. So somehow we have to find a way to address the information crisis in addition to addressing the crisis when it comes to the competence and the trust in our institutions as well. The other big thing that is important for society to overcome, and it's very much related to the crisis of trust in information and institution, is the polarization and the

extreme divisions that we have that have led us to a point where, rather than being able to debate ideas on good faith, we resort to attacking each other in a personal way. And so as CEOs and societal leaders of all kinds think about how to navigate this extremely fragmented world, it is so important to find ways to debate these issues that transcends the politicization of culture and that finds and restores a middle ground, a place where we can come together and feel a sense of unity that is required to address some of these big challenges.

**Podcast Host:** Let's focus on the business and trust, we mentioned in a conversation we had prior to the interview about stakeholder capitalism. First of all, what is stakeholder capitalism and how does trust play a role in that?

**Tonia Ries:** Stakeholder capitalism is a term that has become a little bit controversial recently. And there is a debate happening right now as to who should the primary stakeholder of business be. Historically, the answer, and many economists say the answer should be that business cares only about its owners and its shareholders and that everything else, all of the other benefits come directly from that. But increasingly, as we've seen, younger generations demand that brands take a stand on societal issues and that they are paying attention not just as consumers, but also as employees, to what their companies are doing. And how much are they addressing the impact that the business operations have on society? And a very easy way to think about this would be climate change, issues such as diversity and racism, wage inequality. These are all issues where business really does have a strong role in making certain decisions and can do things to address problems and consumers and employees and increasingly, even investors, are expecting business to do more than pay attention to the bottom line, but to really think about the overall impact. And the reason that investors are paying attention to this, I'm sure many of your listeners are familiar with the ESG movement, the focus on environmental, social and governance aspects of financial reporting, is that they have found that businesses that pay attention to these issues are more successful in the long run. And so when consumers and employees as well are raising expectations for business, they're doing it from a place also where they believe business can do both, business can make money and also do what is right for society. And so increasingly, businesses are realizing that stakeholder approach, prioritizing the needs and the interests of not just shareholders, but also the community that it operates in, its employees and its consumers, is simply good business.

And so that's one of the driving factors of why we're seeing increasingly businesses and CEOs have the courage to stand up and take some stands, which are sometimes controversial.

**Podcast Host:** So what do you see as the main challenges for trust research in the years to come?

**Tonia Ries:** Well, I think we've got some very exciting new opportunities when it comes to trust research. There are new technologies that really allow us to understand trust in new ways. The streaming platform that we are going to be launching, which looks at trust in conversations and is going to be an even more delicate measure of how trust is shifting or where there might be pockets of distrust that can then be addressed by understanding who those audiences are and what is it that's driving those conversations in ways that might help us address them and restore trust. So we're very excited about some of the new methodologies and the new technologies. I think it's also going to be very important to think about are there new ways in this era in which we are no longer sharing a single information source the way that we used to? Are there new ways of creating conversation, building platforms that people can verify and hold the information that they're getting to account in a way that they can trust it? How do we build more accountability into the system so that you and I know when we're seeing a piece of information or hearing someone's opinion that it is based on fact rather than being motivated by some sort of a personal gain.

**Podcast Host:** One of my next guests will be Francis Fukuyama, of course, a well-known name in trust world. His 1992 book, "The End of History", was an inspiration to start the Trust Barometer by Edelman. Is that right?

**Tonia Ries:** That's absolutely right. He wrote a book in which he argued that liberal democracies and free market capitalism would be the final and most beautiful form of societal system. And then, later on, went on to write several books about the topic of trust, and they've all been required reading here at Edelman. So I'm very excited to hear that you will be having him as a guest.



**Podcast Host:** Well, thank you very much, Tonia, for being our guest today. I wish you a lot of success with future episodes of the Edelman Trust Barometer, and it was a great pleasure having you at TrustTalk.

**Tonia Ries:** Thank you so much, Severin. This is a wonderful podcast and I'm glad to be part of it.

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